

Marketing 101

By Jack Trout (on forbes.com)

I'm beginning to think that many of the marketing mistakes you read about so often are caused by the simple fact that **many marketing people are hopelessly confused about what their job is**. And, as time goes by, more people add to the confusion.

Academics have written tomes about the complexity of marketing and all its functions. Ad agencies and consultants have constructed convoluted systems for building brands.

One of my favorite pieces of complexity comes from a U.K. consulting firm that claims a brand has nine positioning elements in a customer's mind: functional needs, objective effects, functional roles, attributes, core evaluators, psychological drives, psychological roles, subjective character and psychological needs. Then the consultants turn all this into a "bridge matrix."

Help! I'm trapped on a bridge to nowhere.

I'll give you the essence of marketing in two sentences: **First**, it's marketing's responsibility to see that everyone is playing the same tune in unison. **Second**, it's marketing's assignment to turn that tune or differentiating idea into what we call a coherent marketing direction.

The notion of a differentiating idea requires some thought. What kind of idea? Where do you find one? These are the initial questions that must be answered.

To help you answer these questions, I propose using the following specific definition. A differentiating idea is a **competitive mental angle**. This kind of idea must have a **competitive** angle to have even a chance for success. This does not necessarily mean a better product or service, but rather, there must be an element of differentness. It could be smaller, bigger, lighter, heavier, cheaper or more expensive. It could be a different distribution system.

Furthermore, the idea must be competitive in the total marketing arena, not just competitive in relation to one or two other products or services. For example, Volkswagen's decision in the late 1950s to introduce the "first" small car was an excellent competitive idea. At the time, General Motors was manufacturing nothing but heavily chromed patrol boats. The Beetle was a runaway success.

The VW Beetle was not the first small car on the market, of course. But it was the first car to occupy the "small" position in the mind. "Think small," said the Volkswagen ads. It made a virtue out of its size, while the others apologized for their small size by talking about "roominess."

An example of a new bad idea is Volvo's sporty coupe and convertible. We see no competitive angle against BMW, Mercedes or Audi (just to name a few).

Second, a differentiating idea must have a competitive **mental** angle. In other words, the battle takes place in the mind of the prospect.

Competitors that do not exist in the mind can be ignored. There were plenty of pizza places with home delivery operations when John Schnatter launched Papa John's International. But nobody owned the "better ingredients" position in the mind.

A competitive mental **angle** is the point in the mind that allows your marketing program to work effectively. The angle is the point you must leverage to achieve results. But an idea is not enough. To complete the process, you need to turn the idea into a strategy. (If the idea is a nail, the strategy is the hammer.)

What's a strategy? A strategy is not a goal. Like life itself, a strategy ought to focus on the journey, not the goal. Top-down thinkers are goal-oriented. They first determine what it is they want to achieve, and then they try to devise ways and means to achieve their goals.

But most goals are simply not achievable. Goal-setting tends to be an exercise in frustration. Marketing, like politics, is the art of the possible.

Roger Smith took over General Motors in 1981. He predicted that GM would eventually own 70% of the traditional Big Three domestic car market, up from about 66% in 1979. To prepare for this awesome responsibility, GM began a \$50 billion modernization program. Boy, was he wrong. General Motors' share of the Big Three domestic market fell. His goal was simply not achievable, because it was not based on a sound idea.

In my definition, a strategy is not a goal. It's a **coherent marketing direction**. A strategy is **coherent** in the sense that it is focused on the idea that has been selected. Volkswagen had a big tactical success with the small car, but it failed to elevate this idea to a coherent strategy. It forgot about "small" and instead elected to bring into the U.S. market a family of big, fast and expensive vehicles. But other car manufacturers had already preempted these automotive ideas. This opened the way for the Japanese to take over the small car idea.

Second, a strategy encompasses coherent **marketing** activities. Product selection, pricing distribution, advertising—all the activities that make up the marketing mix must be coherently focused on the idea. (Think of a differentiating idea as a particular wavelength of light and the strategy as a laser tuned to that wavelength. You need both to penetrate the mind of the prospect.)

Finally, a strategy is a coherent marketing **direction**. Once the strategy is established, the direction shouldn't be changed.

The purpose of the strategy is to mobilize your resources to preempt the differentiating idea. By committing all your resources to one strategic direction, you maximize the exploitation of the idea without the limitation that the existence of a goal implies.

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